

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JAMES F.) APPEAL NO. 06-A-2479
AND KAREN HILLMAN-ROGGIERO from the) FINAL DECISION
decision of the Board of Equalization of Benewah) AND ORDER
County for tax year 2006.

RECREATIONAL PROPERTY APPEAL

THIS MATTER came on for hearing October 18, 2006, in St. Maries, Idaho, before Board Member Vernon L. Driver. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Jim Ruggiero appeared. County Assessor Teresa Jeffrey and State Tax Commission Consulting Appraiser Ron Craig appeared for Respondent Benewah County. This appeal is taken from a decision of the Benewah County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. LP101300A.

The issue on appeal is the market value of a recreational residence.

The decision of the Benewah County Board of Equalization is reversed.

FINDINGS OF FACT

The leasehold assessed value is \$93,181. Appellants request the leasehold value be reduced to \$77,000. The 2005 assessment was \$65,129.

Subject property is a recreational house (cabin) located in Rocky Point, Heyburn State Park on Chatcolet Lake. The cabin site is leased to Appellants by the State of Idaho.

Appellants purchased the subject fully furnished for \$70,000 in August 2005.

Appellants request an assessment adjustment to \$77,000. This figure was arrived at based on a conversation with a representative from the Assessor's office. The representative made a proposed settlement value of \$77,000 but it was rejected by the BOE due to the lack

of an interior inspection.

Appellants submitted a list of items to be looked at as negatives concerning the condition of subject. Appellants contend that subject has not had any improvements or amenities added since 1985, the kitchen has no built-in appliances and no new appliances, there is no shower in the main bath, repairs are needed, the property site is leased from the State and there is no beach or waterfront, and subject has an obstructed lake view. Photographs of the cabin interior were presented.

Respondent submitted Exhibit No. 1 to demonstrate market value for subject. Four sales in subject subdivision were presented, the subject being one of them. The sales indicated an average selling price per square foot of \$117 and a median selling price per square foot of \$113. The sales ranged from (non-time adjusted) \$46,500 to \$150,000. Time adjusted values ranged from \$57,660 to \$163,500.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

The Assessor has a statutory duty to value property.

63-314. COUNTY VALUATION PROGRAM TO BE CARRIED ON BY ASSESSOR.

(1) It shall be the duty of the county assessor of each county in the state to conduct and carry out a continuing program of valuation of all taxable properties under his jurisdiction pursuant to such rules as the state tax commission may prescribe, to the end that all parcels of property under the assessor's jurisdiction are assessed at current market value.

Idaho is a market value state for property tax purposes. Idaho Code § 63-201(10) defines market value:

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Title 63, Idaho Code, directs in several instances that taxable property be assessed based on what it would sell for and based on its condition and the market as of January 1 of the tax year. See Idaho Code § 63-205(1). One recognized method to determine market value is by a comparison of similar properties that have recently sold, to subject. In this case the subject was used as one of the comparables.

Appellants purchased the subject fully furnished for \$70,000 in August, 2005. The County used subject as one of the comparables to demonstrate market value and in this case, the Board finds the cash sale of the subject property is the best proof of market value. Some consideration is warranted for items of personal property included in the sale. The settlement value reflected this. Under the circumstances the Board does not find a recent interior inspection necessary. The Board is convinced the subject property is assessed excessively and reverses the decision of the Benewah County Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Benewah County Board of Equalization concerning the subject parcel be, and the same hereby is, reversed reducing the total assessed value to \$77,000.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellants.

DATED this 9th day of February, 2007.